

Message Text

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64

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 COME-00 TRSE-00 AID-20 OMB-01

CIAE-00 INR-11 NSAE-00 RSC-01 EUR-25 PA-04 PRS-01

USIA-15 DRC-01 /111 W

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P 291501Z JUL 74

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC PRIORITY 5834

C O N F I D E N T I A L NASSAU 1351

E. O. 11652: GDS

TAGS: PDEF ECON BF

SUBJ: REPORT THAT GCOB WILL BUY UP THREE HOTELS

REF: NASSAU 1298

1. USUALLY RELIABLE SOURCE HAS PRIVATELY INFORMED EMBASSY THAT GCOB WILL ANNOUNCE JULY 31 ITS DECISION TO BUY THREE LARGE HOTELS ON CABLE BEACH. THREE HOTELS ARE: SONESTA BEACH, NEW-EST LARGE HOTEL IN NASSAU AREA, WHICH DESPITE SOUND MANAGEMENT HAS NEVER BEEN A MONEY-MAKER AND SALE OF WHICH TO PRIVATE INVESTORS COLLAPSED BECAUSE OF GCOB NON-APPROVAL OF BUYER AND CONFUSION WITHIN GENERAL BAHAMIAN COMPANIES; EMERALD BEACH, AN OLDER AND NOW RATHER SEEDY ENTERPRISE WHOSE GREAT ADVANTAGE IS LOCATION; BALMORAL BEACH, ELEGANT BUT FALLEN ON HARD TIMES. GCOB WOULD ACQUIRE THE THREE IN EXCHANGE FOR TAKING OVER MORTGAGE PAYMENTS. ESTIMATE IS THAT GOVERNMENT CAN RAISE SUFFICIENT WORKING CAPITAL TO MEET START-UP COSTS. THREE HOTELS, WHILE NOT CONTIGUOUS, ARE IN A ONE-MILE ROW DOWN CABLE BEACH, AND SPECULATION IS THAT GCOB WILL SEEK TO CREATE A PARADISE ISLAND TYPE OF UNITY BY ERECTING A CASINO AND/OR CONVENTION CENTER BETWEEN THEM ON LAND IT ALREADY OWNS. GOVERNMENT REPORTEDLY WILL CREATE A SEMI-AUTONOMOUS BOARD TO OVERSEE HOTEL OPERATIONS BUT, AT LEAST IN CASE OF SONESTA, WILL RETAIN PRESENT MANAGERS. FURTHER DETAILS WILL BE REPORTED WHEN ANNOUNCEMENT MADE.

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SPIERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, TOURISM, HOTELS, BUSINESS LOSSES, STATE ENTERPRISES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974NASSAU01351
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740205-1094
From: NASSAU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740710/aaaaahwa.tel
Line Count: 61
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: NASSAU 1298
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by elyme>; APPROVED <20 FEB 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REPORT THAT GCOB WILL BUY UP THREE HOTELS
TAGS: PGOV, ECON, BF
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005